

Property Tax Relief Programs

You may be eligible for tax relief!

**This booklet is designed
to help you understand
options available to you**



Board of Assessors

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Local Property Tax Exemptions for Acton Seniors

You may qualify for one of the following property tax exemptions. Since only one of these exemptions is allowed per year, choose the one that provides the maximum benefit for you:

Person Over 65 (clause 41C) * **

If your Income and assets are low-to-moderate, you may qualify for a minimum \$1,000 exemption from your property tax

- See pages 3, 4 and 5 for detailed information and help in determining if you qualify. ↗

Person Over 70 or Surviving Spouse (clause 17D) * ** If your income is too high for the 41C exemption but you have low assets, you might qualify for a minimum \$244.02 reduction in your property tax

- You must be 70 or older by July 1 of the current tax year or surviving spouse of any age
- Value of Whole Estate (not including the home) must not exceed \$55,774.
- There is no income limit.
- Home must have been owned and occupied as your principal residence for the past 5 years.
- **Contact Assessor's Office at 978-264-9622 for an application**

Disabled Veterans, Certain Medal Winners, and Certain Survivors (clauses 22A – F) * ** A wide range of exemptions is available to veterans of the armed services

- See detailed information on page 6 ↗

Blind Persons (clause 37A) * ** If you are legally blind, you may qualify for a minimum \$500 reduction in your property tax

- You must own and occupy an Acton property as your primary residence
- You must provide a certificate from the Commission on Blindness every year
- **Contact Assessor's Office at 978-264-9622 for an application**

Surviving Spouse of Police Officer or Firefighter (clause 42) * ** If your spouse was killed in the line of duty, and you have not remarried, you may qualify for a total exemption from your property tax.

- Property must be owned and occupied as your principal residence
- **Contact Assessor's Office at 978-264-9622 for an application**

Hardship Exemption (clause 18) * ** If you have severe financial and medical hardships in a given year, you may qualify for a special hardship exemption from your property tax.

- Must meet criteria of age, infirmity and poverty.
- Granted at the sole discretion of the Board of Assessors
- **Contact Assessor's Office at 978-264-9622 for an application**

* These benefits are offered by the Town but governed under Massachusetts General Law Chapter 59, Section 5. Clause numbers refer to clauses under this statute.

** If your home is held in trust, you must provide a copy of the declaration of trust showing that you are a trustee and a copy of the schedule of beneficiaries showing that you have a beneficial interest. If you have a non-spouse co-owner or a multi-unit dwelling, contact Assessor's Office.

Additional Property Tax Help

These following “Add-On” exemptions, credits and deferrals can be ADDED to the exemptions noted above

Add any or all of the following:

Administered by the Assessor’s Office:

Tax Deferral (Clause 41A)

If you have low-to-moderate income, you may qualify for a postponement of paying your property tax until your house is sold or conveyed.

- Deferrals free up your income for any desired use
- You are protected - you will *never* have to sell or move due to taxes deferred under this program

← See the detailed information on pages 7 and 8 ⇌

Exemption from the 1.5% Community Preservation Fund Surcharge If you have low-to-moderate income, you may qualify for an exemption from the Community Preservation Act property tax surcharge

- See detailed information on page 9

The following program is
Administered by the Human Resource
Department

Senior Service Program A limited number of low-to-moderate income seniors with needed skills can provide service to the Town in exchange for a reduction to their property tax.

- Age 60 and older
- Selective program matches skill and ability to department needs
- Contact Human Resources at 978-264-9603 for more information

The following program is
Administered by the State

State Senior Circuit Breaker Tax Credit Senior *renters* or homeowners with low-to-medium incomes may qualify for direct payment or tax credits from the State

- See the detailed information sheet on page 10

Elderly Person Over 65 (Clause 41C)

If your income and assets are low to moderate, you may qualify for a minimum \$1,000 exemption from your Property Tax

Detailed Information for Fiscal Year 2010

*Qualifying amounts increase annually *

Age	You or your spouse must be 65 or older on July 1, 2009 for Fiscal Year 2010
Benefit	Minimum \$1,000 reduction in property tax. Does not have to be repaid.
Income	<ul style="list-style-type: none">• Your total income must be under \$27,887* for single homeowners, or \$41,831* for married homeowners for Fiscal Year 2010.• Your income from 2008 is used to qualify for Fiscal Year 2010 exemptions.• A deduction (called the "Social Security Deduction") is allowed if you have income from Federal Social Security, Railroad Retirement, Massachusetts (and political subdivisions) employee pensions, annuities, or retirement plans.-The FY2010 "Social Security Deduction" is: Worker: \$4,158, Spouse: \$2,079. as determined annually by the state.• See <i>worksheet on next page</i>.
Assets	<ul style="list-style-type: none">• Your Whole Estate must be under \$55,774* for single homeowners, \$76,689* for married homeowners.• Whole Estate includes: -Total of all savings accounts, checking accounts, certificates of deposit, IRA accounts, annuities, stocks and bonds as of July 1, 2009-Any real estate other than your Acton primary residence.• Your primary residence, vehicles, personal effects and cemetery plots are not counted or included.
Ownership and Residency	<ul style="list-style-type: none">• Massachusetts must have been your <i>state of primary residence</i> for the past ten years as of July 1, 2009• You must have <i>owned and occupied</i> your current home for the past five years as of July 1, 2009• If your home is held in trust, you must provide a copy of both the declaration of trust and the schedule of beneficiaries showing that you are a trustee and have a beneficial interest.• If you are a joint owner with a non-spouse or your home is a multi-unit dwelling, contact the Assessor's office for further information
To Apply	<p>Contact the Assessor's office at 978-264-9622 for an application. Filing deadline for FY2010 is three months after the actual bill is issued.</p> <p>* Qualifying limits increase annually with a cost of living adjustment.</p>

Example of Income Computation for Person Over Age 65 (41C) Application

Gross receipts for preceding calendar year	Applicant and Spouse	Co-Owner (s) and Spouse
Retirement benefits (Social Security, Railroad, Federal, Massachusetts and political subdivisions)	\$35,400.	
Other pensions and retirement allowances		
Net profits from business or profession		
Wages, salaries and other compensation	1,200.	
Interest and dividends (from bank accounts and stocks)	250.	
Other receipts (rent, capital gains, etc.)		
TOTAL	\$36,850.	
"Social Security <u>Deduction</u> " for married couple	- \$5,895	
Adjusted annual income (receipts)	\$30,955.	

Property Tax Exemptions for Veterans

**Benefits for veterans who were Massachusetts residents
for six months before entering service or for five
consecutive years before the current tax year**

Detailed Information

Clause 22	<ul style="list-style-type: none">• Veterans with VA certificate showing at least 10% disability. Veterans of the Lebanese Peace keeping Force or Granada Rescue Mission must show receipt of a Campaign Medal.• Veterans of Spanish War, Philippine and Chinese Expeditions with a discharge other than dishonorable• Veterans having the Purple Heart• Spouses who haven't re-married, whose wife or husband qualified for this or any of the Clause 22 exemptions OR whose spouse lost his or her life in service.• Parents of soldiers or sailors who lost their lives in service. Natural, adopting, and parents who stood in loco parentis for one year prior to the time that the deceased entered service qualify. To establish status as in loco parentis, affidavits from two disinterested parties who are not relatives must be submitted.	\$400. up to \$800.
Clause 22A	<ul style="list-style-type: none">• Veterans who have permanent loss of use of one foot, one hand, or sight of one eye• Recipients of the Congressional Medal of Honor, The Distinguished Service Cross, the Air Force Cross or the Navy Cross	\$750. up to \$1,500
Clause 22B	<ul style="list-style-type: none">• Veterans who have lost or have suffered permanent loss of use of both feet, both hands, or sight of both eyes.	\$1,250. up to \$2,500
Clause 22C	<ul style="list-style-type: none">• Veterans who are entitled to specially adapted housing as a result of service related disability.	\$1,500. up to \$3,000
Clause 22D	<ul style="list-style-type: none">• Surviving spouses of service members or guardsmen who died from injury or disease due to being in combat zone, or who are missing in action and presumed dead due to combat.	\$2,500.
Clause 22E	<ul style="list-style-type: none">• Veterans with yearly certificate from the VA indicating 100% disability and incapable of working. (This is the only veteran's exemption that requires a yearly certificate)	\$1,000. up to \$2,000
PAR	<ul style="list-style-type: none">• Paraplegics or surviving spouses of paraplegics	100%

To Apply: Contact the Assessor's Office at 978-264-9622. The filing deadline for FY2010 is three months after the actual bill (December 31) is issued.

Property Tax Deferrals (Clause 41A)

You may qualify to postpone paying your property tax until your house is sold or conveyed. Let the value of your house pay your property tax.

Detailed Information for Fiscal Year 2010

Age	You or your spouse must be 65 or older on July 1, 2009 for the Fiscal Year 2010
Benefit	<ul style="list-style-type: none">• Payment of any or all of your property tax can be postponed until the home is sold or conveyed, or until your demise.• You may use any exemption that you qualify for first and THEN defer the rest of your property tax.• Fiscal Year 2010 interest rate is .50%
Income	Up to \$40,000, married or single
Assets	No asset restrictions
Other limits	Property taxes can be deferred to a maximum cumulative total of half the value of your home.... many decades of potential deferral
Ownership and Residency	<ul style="list-style-type: none">• Massachusetts must have been your state of <i>primary residence</i> for the past 10 years as of July 1, 2009.• You must have <i>owned and occupied</i> a home anywhere in Massachusetts for the past five years as of July 1, 2009.
To apply	Contact the Assessor's office at 978-264-9622 for an application. Filing deadline for FY2010 is three months after the actual bill is issued.
Value of House when Sold in 2014	\$510,513

How it works:

- Each year you can choose to enter into a property tax deferral agreement with the town for all or any part of that year's property tax bill.
- Each year's deferral is like an individual loan. The simple interest rate that was in effect the year that you deferred that year's property tax is locked in for the life of the loan. It is the Federal Discount Rate, generally below the Prime Rate and by law, can never be higher than 8%. FY2010 deferrals will have a locked-in rate of .50% until the subsequent year's rate is determined.
- You can NEVER be forced to sell or move due to taxes deferred under this program.
- Tax payers who defer their property tax may defer water and sewer charges as well.

Why is this an attractive option?

- Tax deferrals are a safe and inexpensive way to free up some of your income. Using the equity in your home to pay your property tax will allow you to enjoy the use of thousands of dollars that would otherwise have gone to paying your property tax.

Property Tax Deferral Example

In 2009 a senior owning a \$400,000 house decides to start deferring his entire property tax bill every year. In 2014, he decides to sell the house and move into an assisted living facility.

Fiscal Year	House Value with annual 5% appreciation	Property Tax Deferred Assumes taxes increase 5% per annum	Deferral Interest Rate *(HYPOTHETICAL)	Deferred Tax & Simple Interest
2009	\$400,000	\$6,156.00	6.25%	\$8,287.98
2010	\$420,000	\$6,463.80	4.75%	\$7,857.39
2011	\$441,000	\$6,786.99	4.75%*	\$7,927.88
2012	\$463,050	\$7,126.34	4.75%*	\$7,985.78
2013	\$486,203	\$7,482.66	4.75%*	\$8,029.45
2014	\$510,513	\$7,856.79	4.75%*	\$8,056.95

Value of House
when Sold in 2014
\$510,513

Total Tax Deferred
\$41,873

Total amount Deferred for
the Last Six Years
\$48,145

House Value When Sold	\$510,513
Less Deferral	<u>- \$48,145</u>
<u>Remaining Asset Value</u>	\$462,368

Exemption from the Community Preservation Act Surcharge for those aged 60 and over

Detailed Information for Fiscal Year 2010

Age	Applying owner must be 60 or older on January 1, 2009
Benefit	100% exemption from the surcharge
Income	Use your 2008 income to qualify Household Size 2010 Income Limit* Family of (1) \$ 63,140 (2) 72,160 Different income limits apply to taxpayers under age 60
Assets	There is no asset limit
Ownership and Residency	You must own and occupy the home as your primary residence
To Apply	Contact the Assessor's office at 978-264-9622 for an application.

* The income limit changes every year. It is based on the local area median income as annually published by HUD

Massachusetts “Circuit Breaker” Tax Credit

This is a State program administered by the Commonwealth of Massachusetts
Department of Revenue at 617-887-MDOR (617-887-6367)

www.dor.state.ma.us

If your property taxes (or 25% of your rent) exceed 10% of your gross income, you may be eligible for a payment or tax credit from the State.

Detailed Information

This chart shows 2008 income and benefit figures
2009 figures will be published in early 2010
Qualifying amounts and benefit change annually

Age	65 years of age or older at close of tax year
Benefit	Homeowners: One dollar for every dollar that your property tax plus half of your water and sewer bill exceed 10% of your income. Renters: One dollar for every dollar that 25% of your rent exceeds 10% of your income. Rent must be unsubsidized and landlord must be a tax-paying entity. Maximum benefit: \$900*
Income	• \$49,000* for a single individual, • \$62,000* for a head of household • \$74,000* if married and filing jointly. <i>Married filing separately is ineligible</i>
House Value/ Assets	• Assessed value of house \$793,000* or less • Otherwise, no asset limit
Ownership And Residency	• Renters receiving rent subsidies do not qualify. • Landlord must be a tax-paying entity • Special provisions are made for certain assisted living arrangements and for certain types of trust ownership. See state website for more information www.dor.state.ma.us • Your Massachusetts house or apartment must be your primary residence
To Apply	Taxpayers or Renters who are eligible for this tax credit should claim the credit when they file their state income tax return. If you are eligible but do not normally file a state income tax return, you may obtain the benefit by filing a return and claiming the exemption. Past returns may be amended up to 3 yrs. Acton's Senior Center provides trained tax advisors during the tax filing season who can help you apply for this benefit. Call 978-264-9622

* The 2009 income limits and benefit amounts will be set by the state at the beginning of calendar year 2010.